

**MCBRIDE SHOPA & COMPANY, P.A.**

**APPOQUINIMINK SCHOOL DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

**JUNE 30, 2007**

**FIELDWORK END DATE: APRIL 24, 2008**

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Thomas John Shopa, CPA, CFP, CVA  
Charles H. Elter, CPA, CFP  
Robert S. Smith, CPA  
Ronald E. Derr, CPA  
George G. Fournaris, CPA, CGFM

■  
Donald S. Emenheiser, CPA, CFP, MBA  
Edward T. Gallagher, CPA, CIA  
Dana L. Ketterer, CPA  
Clyde G. Hartman, CPA/ABV, CFE, CVA  
Cameron B. McDonald, CPA, CCIFP  
Jean D. Lloyd, CPA  
Scott G. Sipple, Jr., CPA  
Stuart A. Solomon, CPA (NJ)  
Alison L. Houck, CPA

Members of:  
American Institute of CPA's  
Private Companies Practice Section  
Delaware Society of CPA's

Certified Public Accountants  
A Professional Association

270 Presidential Drive  
Wilmington, DE 19807  
(302) 656-5500  
(302) 656-8024 Fax

37212 Rehoboth Avenue Ext.  
Rehoboth Beach, DE 19971  
(302) 227-4872  
(302) 227-4873 Fax  
[www.mcbrideshopa.com](http://www.mcbrideshopa.com)

## Independent Accountant's Report on Applying Agreed-Upon Procedures

Tony J. Marchio, Ed. E  
Superintendent  
Appoquinimink School District  
118 South Sixth Street  
PO Box 4010  
Odessa, DE 19730-4010

The Honorable Valerie A. Woodruff  
Secretary, Department of Education  
Townsend Building, Suite 2  
401 Federal Street  
Dover, DE 19901

We have performed the procedures enumerated below, which were agreed to by Appoquinimink School District, the Office of Auditor of Accounts, and the State of Delaware Department of Education. The procedures were performed solely to assist the specified parties in evaluating the School District's compliance with criteria from the State of Delaware Fixed Asset Policy Manual, the State of Delaware Department of Education School Construction Technical Assistance Manual, the Delaware Code, and the State of Delaware Budget and Accounting Manual. Appoquinimink School District's management is responsible for compliance with those requirements.

This agreed-upon procedures attestation engagement was performed in accordance with *Government Auditing Standards* (2003), issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Determine if the School District's policies and procedures for identifying, tracking, and recording capital assets are adequate.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

2. Determine whether the School District's construction project records and files (current and prior fiscal years) are accurate.

Our procedures disclosed one instance of noncompliance that resulted in Finding #07-01 and related recommendations. See *Appendix A*.

3. Determine if expenditures are accurately stated and are made in accordance with the State Fixed Asset Policy Manual and the intent of the project scope mandated by the General Assembly, the Department of Education, and the Local Board of Education.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

4. Determine whether the School District's construction project records and files include only active construction projects as of June 30 of the CFY. Ensure that completed projects have been appropriately closed out of construction and added to the State Fixed Asset system.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

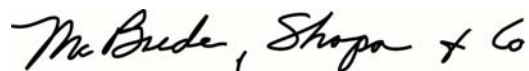
5. Prepare the School District's Schedule of Construction Projects for Fiscal Year 2007.

See *Appendix C*.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Appoquinimink School District management and Board Members and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, Department of Finance, the State Treasurer's Office, and the Office of Auditor of Accounts.

Sincerely,



Wilmington, Delaware  
April 24, 2008

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# SCHEDULE OF FINDINGS & RECOMMENDATIONS

APPENDIX A

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***Procedure Agreed Upon #2:***

Determine whether the School District's construction project records and files (current and prior fiscal years) are accurate.

***Finding #07-01***

The State of Delaware Department of Education School Construction Technical Assistance Manual (SCM), Section 2.0, Paragraph 5.3 states that "the School district shall notify the Department of Education, the State Auditor, and the State Budget Director upon approval of the Certificate of Occupancy". Section 5.0, Paragraph 5.63 of the SCM also "requires that the school district will notify the State Office of School Planning, the State Auditor, the Budget Director, and the State Insurance Coverage Office upon substantial completion". For both the Redding Middle School Project and the Cedar Lane Project, the district notified the Department of Education, but did not notify the other state agencies indicated in the SCM. This was due to an oversight by School District personnel. As a result, the State Auditor, Budget Director and State Insurance Coverage Office were not notified.

***Recommendation:***

The district personnel should notify the appropriate entities indicated in the SCM once a project has been completed and the Certificate of Occupancy is received.

***School District Response:***

Previous audits have never recommended that the district comply with the above SCM notification requirement, nor made mention of it. Since the district is now aware, we will make every effort to ensure that all notifications are complied with once "substantial completion" has been accomplished.

# SCHEDULE OF CONSTRUCTION PROJECTS

APPENDIX C

Project Name	Fiscal Year	Original Funding Amount	De-auth Funding Amount	Total Project Funding to Date	Expended Current FY	Expended Prior FY's	Total Project Expended to Date	Total Unspent as of 06/30/07
Redding Middle	2004	334,488		334,488	12,719	316,738	329,457	5,031
Redding Middle	2005	4,729,700		4,729,700	118,696	4,564,156	4,682,852	46,848
Redding Middle	2006	845,100		845,100	366,000	430,990	796,990	48,110
Alfred Waters Middle	2005	2,297,300		2,297,300	388,503	1,870,418	2,258,921	38,379
Alfred Waters Middle	2006	3,378,400		3,378,400	986,377	2,305,382	3,291,759	86,641
Alfred Waters Middle	2007	15,915,200		15,915,200	9,925,710		9,925,710	5,989,490
Cedar Lane Early Childhood Ctr	2004	405,750		405,750	10,914	394,017	404,931	819
Cedar Lane Early Childhood Ctr	2005	3,378,400		3,378,400	96,104	3,271,749	3,367,853	10,547
Cedar Lane Early Childhood Ctr	2006	959,100		959,100	357,299	572,459	929,758	29,342
Cedar Lane Early Childhood Ctr	2007	120,000		120,000	110,000		110,000	10,000
Middletown High School	2006	405,400		405,400	187,767	217,098	404,865	535
Middletown High School	2007	3,684,300		3,684,300	2,009,734		2,009,734	1,674,566
Appoquinimink High	2004	2,502,962		2,502,962		2,502,962	2,502,962	0
Appoquinimink High	2005	34,361,300		34,361,300	8,789,696	22,400,476	31,190,172	3,171,128
Appoquinimink HS Athletic Field	2006	9,999,800		9,999,800	2,986,857	2,912,091	5,898,948	4,100,852
Appoquinimink High	2005	1,515,000		1,515,000	0	1,515,000	1,515,000	0
District office Renovation	2006	1,216,200		1,216,200	3,649		3,649	1,212,551
District office Renovation	2007	1,039,500		1,039,500			0	1,039,500
Advance plan	2007	500,000		500,000	44,561		44,561	455,439
<b>Total</b>		<b>87,587,900</b>		<b>87,587,900</b>	<b>26,394,586</b>	<b>43,273,536</b>	<b>69,668,122</b>	<b>17,919,778</b>
Market Pressure Money Expenditures					6,407,750		6,407,750	
<b>Total Expenditures</b>					<b>32,802,336</b>		<b>76,075,872</b>	

Copies of Appoquinimink School District's Agreed-upon Procedures Attestation Engagement have been distributed to the following public officials:

Executive Branch

The Honorable Ruth Ann Minner, Governor, State of Delaware  
The Honorable Richard S. Cordrey, Secretary, Department of Finance  
The Honorable Jennifer W. Davis, Director, Office of Management and Budget  
Ms. Trisha Neely, Director, Division of Accounting

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of Controller General

Other Elective Offices

The Honorable Joseph R. Biden, III, Attorney General, Office of the Attorney General  
The Honorable Jack Markell, Treasurer, State Treasurer's Office

Other

Joanne Christian, President, Appoquinimink Board of Education  
Edward J. Czerwinski, Jr, Vice President, Appoquinimink Board of Education  
Edna Cale, Appoquinimink Board of Education  
Robert Gilsdorf, Appoquinimink Board of Education  
Donna Skinner, Appoquinimink Board of Education  
Tony J. Marchio, Ed. D, Superintendent, Appoquinimink Board of Education  
Maryellen Brown, Business Manager, Appoquinimink School District